



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5
77 WEST JACKSON BLVD
CHICAGO, IL 60604

MEMORANDUM

SUBJECT: Recusal Statement

FROM: Debra Shore
Regional Administrator

TO: Michael S. Regan
Administrator

I have previously consulted with the Office of General Counsel/Ethics (OGC/Ethics) and been advised about my ethics obligations. This memorandum formally notifies you of my continuing obligation to recuse myself from participating in certain matters in which I have a financial interest or a former business relationship.

FINANCIAL CONFLICTS OF INTEREST

As required by the criminal conflict of interest law, 18 U.S.C. § 208(a), I will not participate personally and substantially¹ in any particular matter² that will have a direct and predictable effect on my financial interests or the financial interests of a person whose interests are imputed to me unless I first obtain a written conflict of interest waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). The interests of the following persons are imputed to me: my spouse or my minor child; a general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

¹ To participate "*personally*" means to participate directly. It includes the direct and active supervision of the participation of a subordinate in the matter. To participate "*substantially*" means that the employee's involvement is of significance to the matter. Participation may be substantial even though it is not determinative of the outcome of a particular matter. However, it requires more than official responsibility, knowledge, perfunctory involvement, or involvement on an administrative or peripheral issue. A finding of substantiality should be based not only on the effort devoted to the matter, but also on the importance of the effort. While a series of peripheral involvements may be insubstantial, the single act of approving or participating in a critical step may be substantial. Personal and substantial participation may occur when, for example, an employee participates through decision, approval, disapproval, recommendation, investigation or the rendering of advice in a particular matter. See 5 Code of Federal Regulations (C.F.R.) § 2640.103(a)(2).

² A "*particular matter*" includes only matters that involve deliberation, decision, or action that is focused upon the interests of specific persons, or a discrete and identifiable class of persons. The term may include matters which do not involve formal parties and may extend to legislation or policy making that is narrowly focused on the interests of a discrete and identifiable class of persons. It does not, however, cover consideration or adoption of broad policy options directed to the interests of a large and diverse group of persons. See 5 Code of Federal Regulations (C.F.R.) § 2640.103(a)(1).

*Particular matters involving specific parties*³:

Given the value of my financial interests, I must disqualify from participating personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of the following companies as a specific party:

Adobe
Apple
AT&T
Alphabet (Google)
Comcast
Home Depot
IBM
Liberty Media Corp
Nexstar Media Group
Sony Group Corp
Walt Disney
Xylem

All of the underlying holdings of the [Vanguard Healthcare Index Fund \(Admiral Shares\)](#) sector fund

*Particular Matters of General Applicability*⁴

Based on the value of my current financial interests, I am disqualified from participating personally and substantially in any particular matter of general applicability, such as rulemaking, having a direct and predictable effect on my financial interests as a member of the following industry sectors:

Cable/internet communications services
Consumer technology and electronics
Computer hardware & software
Consumer staples
Healthcare
Hospitality/cruise lines
Information technology
Internet content & media/entertainment
Television & satellite radio communications services
Water technology & industrial machinery

³ *Particular matter involving specific parties* includes any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest or other particular matter involving a specific party or parties. The term typically involves a specific proceeding affecting the legal rights of the parties, or an isolatable transaction or related set of transactions between identified parties. *See* 5 C.F.R. § 2640.102(l).

⁴ *Particular matter of general applicability* means a particular matter that is focused on the interests of a discrete and identifiable class of persons, but does not involve specific parties. *See* 5 C.F.R. § 2640.102(m).

In addition, I will not participate in particular matters that will affect the ability or willingness of the **Metropolitan Water Reclamation District of Chicago** to pay my defined benefit plan obligations.

Divestiture

In order to avoid even the appearance of a conflict of interest and fulfill my obligations to the best of my ability, I agree to divest my shares of Xylem Corporation within 90 days of the date of this recusal statement. Once the divestiture is complete, I will update my recusal statement and comply with the required public financial disclosure reporting requirements.

OBLIGATIONS UNDER THE IMPARTIALITY PROVISIONS

Pursuant to the federal impartiality regulations at 5 C.F.R. § 2635.502(b), I have a “covered relationship” with my former employer, the **Metropolitan Water Reclamation District of Chicago**, for one year after I last served as an employee. Therefore, I may not participate personally and substantially in any particular matter involving specific parties in which the **Metropolitan Water Reclamation District of Chicago** is a party or represents a party for one year after I last served as a Commissioner, or until **October 23, 2022**, unless I am otherwise authorized to participate pursuant to the standards in 5 C.F.R. § 2635.502(d).

DIRECTIVE AND CONCLUSION

In order to ensure that I do not participate in particular matters from which I am recused, I am asking the Deputy Regional Administrator to act on such matters without my knowledge or involvement. Therefore, please do not send or copy me on substantive emails, request that I attend meetings, or participate in any discussions, make recommendations, or otherwise make decisions with regard to a particular matter covered by my recusal. Official actions on such matters should be made without my recommendation, knowledge, or involvement. Any inquiries regarding the extent of my recusals should be directed to the Regional Counsel or OGC/Ethics.

In consultation with OGC/Ethics, I will revise and update my recusal statement whenever warranted by changed circumstances, including changes in my financial interests, changes in my personal or business relationships, or any changes to my EPA duties. In the event of any changes to my screening arrangement, I will provide a copy of the revised recusal statement to you and OGC/Ethics.

cc: Dan Utech, Chief of Staff
Cheryl Newton, Deputy Regional Administrator
Robert Kaplan, Regional Counsel
Alfred S. Saucedo, Chief of Staff, Region 5
Ann Coyle, Regional Ethics Official
Justina Fugh, Director, Ethics Office